Government's interest in the particular contract, as determined in writing by the contracting officer for such contract.

(3) The Secretary of Defense shall require that a prime contractor under a Department of Defense contract for the acquisition of commercial items be required to include in subcontracts under such contract only—

(A) those contract clauses that are required to implement provisions of law applicable to such subcontracts; and

(B) those contract clauses that are appropriate, as determined by the Secretary of Defense, for such a subcontract.

In addition to the clauses described in subparagraphs (A) and (B), a contractor under a Department of Defense contract for the acquisition of commercial items may be required to include in a subcontract under such contract only such clauses as are essential for the protection of the Federal Government's interest in the particular subcontract, as determined in writing by the contracting officer for such contract.

(4) The Secretary of Defense shall require the use, in appropriate circumstances, of a modified inspection clause with streamlined inspection procedures in each Department of Defense contract for the acquisition of commercial items awarded to a contractor that (A) has a proven record of high quality production, and (B) offers an appropriate warranty to protect the Federal Government's interest in acquiring a high quality product.

(5) The Secretary of Defense shall require the use, in appropriate circumstances, of standard commercial warranties in each Department of Defense contract for the acquisition of commercial items.

(6) The Secretary of Defense shall revise the regulations governing the applicability of the exemption contained in section 2306a(b)(1)(D) of title 10, United States Code, consistent with the public interest. In revising such regulations, the Secretary (A) shall address the standards for applying such exemption to contracts and subcontracts for items which are modifications to commercial items, components of commercial items, spare parts for commercial items, new commercial items, or commercial items which are no longer sold to the public, and (B) shall ensure that cost or pricing data are not required in connection with contracts and subcontracts qualifying for an exemption under the regulations as revised under this paragraph.

(c) ANALYSIS.—(1) The Secretary of Defense shall conduct an analysis of impediments to the acquisition of nondevelopmental items by the Department of Defense. In conducting the analysis, the Secretary shall consider, at a minimum, the following:

(7) Whether to expand the regulations governing the acquisition and distribution of commercial products to address the procurement of nondevelopmental items.

(8) Whether revisions to the regulations governing specifications, standards, and other purchase descriptions are necessary to implement the statutory requirement that product specifications be stated in terms of functions to be performed, performance required, or essential physical characteristics, and to minimize the use of specifications unique to the Department of Defense.

(9) Whether to establish a presumption that the Department of Defense should not request technical data on commercial items.

(10) Whether the Secretary of Defense should make greater use of the authority granted the Secretary in law to exempt